

Washington State Auditor's Office
Audit Report

Lewis County Conservation District

Audit Period
January 1, 1997 through December 31, 1999

Report No. 62127

Issue Date
April 13, 2001



Washington _____
State Auditor

Brian Sonntag

Audit Summary

Lewis County Conservation District January 1, 1997 through December 31, 1999

ABOUT THE AUDIT

This report contains the results of our independent audit of the Lewis County Conservation District for the period January 1, 1997, through December 31, 1999.

Audit procedures were performed to determine whether the District complied with state laws and regulations, its own policies and procedures, and applicable grant requirements. We also evaluated the internal controls established by District management. Our audit work focused on areas with a potential risk for abuse or misuse of public resources.

RESULTS

The District complied with state laws and regulations and its own policies and procedures in the areas we examined. Its financial statements were complete and accurate.

Table of Contents

Lewis County Conservation District January 1, 1997 through December 31, 1999

Description of the District	1
Audit Areas Examined	2
Audit Overview	3
Independent Auditor's Report on Compliance with State Laws and Regulations	4
Independent Auditor's Report on Financial Statements	5
Financial Statements	6

Description of the District

Lewis County Conservation District January 1, 1997 through December 31, 1999

ABOUT THE DISTRICT

The Lewis County Conservation District was created in 1943 to promote conservation services and education to residents of Lewis County, and is one of 48 conservation districts in the state. A Board of five Supervisors, three of whom are elected, and two appointed by the Washington State Conservation Commission, administers the District. The District works closely with and relies upon assistance from the Washington State Conservation Commission.

The Commission provides the District assistance in obtaining and administering grants, program and field staff to assist in conservation projects, and helps the District coordinate its efforts with other local, state and federal agencies.

The District's annual revenue was approximately \$326,000, \$389,000 and \$346,000 in 1999, 1998 and 1997, respectively. The District had seven employees in 1999.

ELECTED/APPOINTED OFFICIALS

These officials served during the audit period:

Board of Supervisors (elected):

Chair

Vice Chair

Roy Kinsman
Ann Tunning
Marvin Courtney
Bob Thode
Lyle Hojem
Carl Camenzind
Joe Alvarado
Bill Teitzel
Hamlet Hilpert
Steve Stinson
Louie Muller
Tony Schilter
Debra Dickey
Jeff Peterson

Board of Supervisors (appointed):

ADDRESS

District

1554 Bishop Road
Chehalis, WA 98532-8710
(360) 748-0083

Audit Areas Examined

Lewis County Conservation District January 1, 1997 through December 31, 1999

In keeping with general auditing practices, we do not examine every portion of the Lewis County Conservation District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Open Public Meetings Act
- Cash and investments
- Payroll
- Investment requirements
- State grant requirements
- Disbursements
- Time reporting

FINANCIAL AREAS

In addition to the financial-related work listed in other categories, we audited the following areas:

- Overall presentation of the financial statements and accompanying notes
- Cash and investments
- Revenues and expenditures

Audit Overview

Lewis County Conservation District January 1, 1997 through December 31, 1999

AUDIT HISTORY

We audit the Lewis County Conservation District every three years. The past three audits of the District have been free of findings. We believe this is a reflection of management's commitment to be accountable to the residents of the District.

CONCLUSIONS

The District complied with state laws and regulations and its own policies and procedures. We also found the District's financial statements were accurate and complete.

One major area of focus was a compliance review of the District's state grants. In particular, we reviewed the Salzer Creek Watershed Restoration project expenditures and found them to be allowable per contract and be supported by original documents.

We thank the District's staff for their assistance and cooperation during the audit.

Independent Auditor's Report on Compliance with State Laws and Regulations

Lewis County Conservation District January 1, 1997 through December 31, 1999

Board of Supervisors
Lewis County Conservation District
Chehalis, Washington

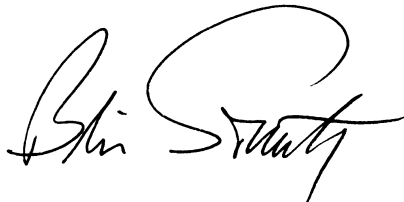
We have audited the financial statements of the Lewis County Conservation District, Lewis County, Washington, as of and for the years ended December 31, 1999, 1998 and 1997, and have issued our report thereon dated October 25, 2000.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the District complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the District's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the Board of Supervisors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



BRIAN SONNTAG, CGFM
STATE AUDITOR

October 25, 2000

Independent Auditor's Report on Financial Statements

Lewis County Conservation District January 1, 1997 through December 31, 1999

Board of Supervisors
Lewis County Conservation District
Chehalis, Washington

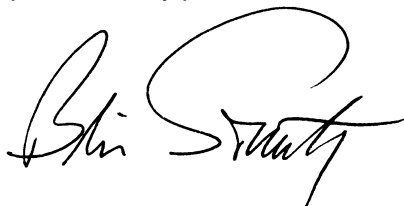
We have audited the accompanying financial statements of the Lewis County Conservation District, Lewis County, Washington, for the years ended December 31, 1999, 1998 and 1997. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the Lewis County Conservation District for the years ended December 31, 1999, 1998 and 1997, on the cash basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of State and Local Financial Assistance are presented for purposes of additional analysis. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.



BRIAN SONNTAG, CGFM
STATE AUDITOR

October 25, 2000

Financial Statements

Lewis County Conservation District January 1, 1997 through December 31, 1999

FINANCIAL STATEMENTS

Resources and Uses Arising from Cash Transactions – 1999
Resources and Uses Arising from Cash Transactions – 1998
Resources and Uses Arising from Cash Transactions – 1997
Notes to Financial Statements – 1999, 1998 and 1997

ADDITIONAL INFORMATION

Schedule of State and Local Financial Assistance – 1999
Schedule of State and Local Financial Assistance – 1998
Schedule of State and Local Financial Assistance – 1997
Notes to the Schedule of Financial Assistance – 1999, 1998 and 1997